



ALBERTA

Bastion *of* Freedom

An
ADDRESS

by

Wm. TOMYN
M. L. A.

MEMBER OF THE
SOCIAL CREDIT BOARD



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Member of the ALBERTA SOCIAL CREDIT BOARD

I.

THE SOCIAL CREDIT CHALLENGE

For the past seven or eight years, practically all that the people of Canada have heard about Social Credit in Alberta in the press has been that Social Credit is something which tried in Alberta and failed, and that the Social Credit Government of Alberta has **ruined** the credit of the Province; and similar outbursts from time to time. More recently the Prime Minister of Canada and the national leader of the C.C.F. party have been busy announcing the **DEATH** of Social Credit.

To-night I wish to take this opportunity to put the record straight in regard to both Social Credit and the facts about the Alberta Social Credit Government.

I do not need to remind you about the conditions which existed in this country in 1933. You will recall that we were at the very depth of the depression years when hunger and destitution stalked the land. At that

time a voice was raised in Alberta, pointing out to the people the absurdity of poverty, destitution and insecurity in a land so richly endowed with natural resources and with all the means available for producing an abundance of goods and services. That voice was the voice of William Aberhart, a high school teacher in the City of Calgary. He spoke to the people of Alberta week after week, backing up his arguments with facts which, despite everything that the opposition forces could do, aroused the people to the truth of his statements. He pointed out that the only reason why poverty stalked the land and the production of goods wanted desperately by people was being restricted, was the shortage of buying power—that if the people had the money to go into the stores and buy the goods that were available, the stores would be able to order more goods, and thus would give industries the markets they were seeking so frantically, production could be stepped up, employment increased, and the whole economic system geared to produce abundantly.

The ideas that were put forward by William Aberhart were new, but they rang true; and people, despite the desperation of their plight, began to form study groups to get at the facts of the case. During the years 1933-34, literally thousands of study groups were formed in the Province of Alberta, and thus was born the Social Credit movement in Canada.

SOCIAL CREDIT MOVEMENT'S GROWTH

When a very solid body of public opinion had been organized in support of the Social Credit reforms, Mr. Aberhart approached the Farmers' Gov-

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ernment which was then in office, and asked them to carry out the wishes of the people. Major C. H. Douglas, the originator of Social Credit, was touring Australia and New Zealand at that time, and he was invited to appear before the Alberta Legislature and give evidence. This he did, with the result that support for Social Credit took a further surge forward.

Faced with the growing public demand of a powerful and well-organized Social Credit movement, the Government appointed Major Douglas re-construction adviser to the Province of Alberta. Major Douglas immediately visited Alberta and made his report. The Farmers' Government had in the meantime been preparing for an election, and on the eve of an appeal to the voters of the Province, they rejected Major Douglas's advice.

This had been apparent to Mr. Aberhart for some months, and he had advised the Social Credit groups to get organized for political action, as neither the Government nor the opposition parties would even consider carrying out their wishes by introducing Social Credit reforms.

In the election which was held on August 22, 1935, Social Credit candidates contested every seat. Professors of economics, bankers, politicians of all parties and high pressure salesmen were rushed to Alberta by train and plane to defeat the Social Credit candidates. The result of that election is now a matter of history. Social Crediters were elected in fifty-six seats out of sixty-three.

By the time the newly elected Social Credit Government took office, the affairs of the Province were in a terrible mess. The Treasury was empty, there was no money to pay the Civil Service, payment had been suspended on savings certificates, and the Province faced bankruptcy. The first task which the new Government had to undertake was to clear up this formidable state of affairs. In the financial re-construction which took place, Departments were re-organized, drastic economies were introduced, and the financial situation was thoroughly reviewed. It was apparent that the Province could not maintain an adequate scale of social services and pay the high rate of interest charges on its large debt out of current revenue. The Alberta Government had been given a very definite mandate to halt the policy of plunging the Province deeper and deeper into debt, so it could not borrow. In fact, even if the people had not given this mandate, it is doubtful that the large financial corporations would have granted the Province any loans in view of the battle against financial domination to which it was pledged.

PREPARING FOR THE BATTLE

The Government of Alberta called together the bondholders, explained the position to them and asked them to accept a lower rate of interest. This they refused to do. The Government approached the Bank of Canada to assist in refunding the provincial debt on a basis which was within the ability of the Province to pay. The Bank of Canada likewise refused to render any assistance. Therefore the Government had no option but to take the only course left to them, and reduce the interest by authority of the Legislative Assembly.

After clearing up the worst of the administrative difficulties, the Government turned to the task of introducing the Social Credit reforms which it had been elected to carry out. In this it met hostility, abuse and opposition from the large financial interests, the press, and other political groups. It was apparent after a very short time that there would have to be a showdown.

At a Special Session of the Legislature called in the summer of 1937, an Act was passed under which any chartered bank operating in the Province of Alberta was required to have a provincial license, and undertake to administer the monetary system in accordance with the will of the people of Alberta. Severe penalties were imposed in the case of any bank which used its position to interfere with, or divest the citizens of the Province of their legitimate property and civil rights. This Act did not interfere with the administration of banking, which, under the provisions of the B. N. A. Act, came within Federal jurisdiction. It merely required that the administration of the monetary system by the banks should not divest the people of their civil and property right which, under the B. N. A. Act, are matters reserved exclusively to the Provinces.

The reason that this legislation was passed in this particular form was to put a stop to the banks restricting production by restricting credit facilities to farmers and other producers of the Province and restricting consumption by operating a system which resulted in the people never having enough purchasing power to buy the goods they produced, with disastrous results to the whole economic life of the Province and, for that matter, to the whole country.

The point I wish to stress is that this legislation did not interfere with the rights or privileges of Parliament or of any other Province. It applied exclusively to the Province of Alberta. Moreover, the Government of Alberta told the banks that if they did not know how to carry out their duties in accordance with the requirements of this Act, the Government would place at their disposal the services of persons who would tell them how it could be done.

MONEY POWERS CHALLENGED

Because this legislation struck at the very roots of the powerful financial monopoly which has this country in its grip, the reaction to this legislation was immediate and world-wide. The financial press in Canada, the United States, Great Britain and elsewhere expressed fear and alarm. The Alberta Government was reviled, abused and attacked in the most intemperate terms. The legislation was misrepresented, and strong demands were made for its disallowance, notwithstanding the fact that the Minister of Justice at that time had stated in Parliament only a short time before that it was questionable whether the Federal Government had any power to disallow Provincial legislation.

In spite of this, and in spite of the pledge given by the Right Honourable William Lyon Mackenzie King in his election campaign of 1935, that if the Liberal administration was elected into office it would not only be fighting a great battle with the Money Power itself, but Mr. Aberhart's Government could expect

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all possible help to carry out its plans, the Mackenzie King Government disallowed The Alberta Credit Regulation Act—the legislation about which I have been speaking.

In view of the gross misrepresentation and the campaign of abuse which was carried out in the press, it became plain that one of the strongest weapons of the Money Power was the control it exercises over news and publicity. Accordingly another Special Session of the Legislature was called. The Credit Regulation Act was passed again in a modified form, together with an Act requiring that any newspaper that published a false statement regarding essential Government policies would be required to give equal space and prominence to a correction of their statement. Immediately this latter legislation was attacked as a press muzzling Act, whereas it was nothing of the kind, as it left every newspaper perfectly free to say what it liked apart from the foregoing requirement. Apparently a powerful section of the press resented having to publish the truth.

OPPOSITION INCREASES

Though the foregoing Acts were passed by an overwhelming majority of the Legislature, and clearly had the backing of an overwhelming majority of the people of Alberta, Royal Assent was refused. On the same day, one of the Government's Advisers and a Government Member of the Legislature were arrested on a charge of defamatory libel for daring to call certain prominent men "bankers' toadies". In passing, I should mention that both these men were subsequently jailed for this heinous crime.

The Acts to which Royal Assent had been refused were referred to the Supreme Court of Canada, where the Council appointed by the Federal Government fought the banks' case for them. The decision was, of course, against the Alberta Government, largely on the grounds that an Act which was not before the Court was **ultra vires**. On the best legal advice this legislation was repealed, and the decision of the Supreme Court was appealed to the Privy Council. However, at the last moment, the Privy Council refused to hear the Alberta appeal on the grounds that the Alberta Government had repealed the Act on which the Supreme Court had given its adverse decision. I must leave you to draw your own conclusions.

By this time the battle with the Money Powers was in full swing. Political ganging up, the formation of new parties, the amalgamation of old parties, a campaign of vilification and abuse against Premier Aherhart and the Government, misrepresentation, in intrigue, and every shady trick which could be used became features of the Alberta scene. Notwithstanding this, and notwithstanding repeated disallowances and Acts declared **ultra vires**, in 1940 the Social Credit Government was again returned to office by the people of Alberta, but with a reduced majority.

OUTBREAK OF WAR

Ever since the outbreak of war, Alberta has been marking time in the battle against the financial powers. When war first broke out, both the Alberta Government and the Federal Social Credit members were the first political groups in Canada to come out flat-footed for an all-out war effort beside Great Bri-

tain, warning the people of Canada that we had a grim and hard fight ahead of us. Ever since the outbreak of war, the Alberta Government and the Alberta people have given the Federal Government every possible co-operation, and made a truly magnificent contribution to the war effort.

I will not go into any detail as to how subsequent events proved the Alberta war stand to be justified, or the proof that the war has provided of how right Social Crediters were in their contention that anything physically possible could be made financially possible. These are all a matter of record.

The next point I wish to make is that during the past few months it has become increasingly apparent that as the armies, navies and air forces of the Allied Nations have smashed their way triumphantly to victory, preparations for post-war re-construction are becoming the dominating issue in Canada and elsewhere. However, before I deal with this, there is another matter on which I wish to get the record straight for you to-night.

In spite of everything which is being done to unseat the Alberta Social Credit Government, in spite of everything which has been done to misrepresent and distort the facts regarding Social Credit across Canada, I can tell you with complete assurance that to-day the Social Credit movement in Alberta is far stronger than it was in 1940. In fact, it is stronger than it was in 1935 because it is the strength which is born of conviction and not merely hope. I can state with equal confidence that not only is the Social Cre-

dit movement across Canada stronger than it has ever been, but support for Social Credit is building up rapidly week by week.

SOCIAL CREDIT GOVERNMENT'S RECORD

You may ask how it is that, in view of all the opposition and the disappointments encountered by the Alberta Government in its efforts to establish a Social Credit economy, it can still enjoy such widespread support in the Province. The reason is simple. Apart from its courageous fight against the Money Powers, the present Government of Alberta has a record of administration which is probably unique in Canadian history for honesty and efficiency. I will give you some of the highlights of the progress made by the Government during its tenure of office.

The Provincial debt has been reduced from \$158,000,000 to about \$140,000,000. That represents an average annual decrease of about \$2,500,000, as compared with an average annual increase of \$8,500,000 during the five-year period before it assumed office.

The average annual expenditure has been cut from \$26,000,000 to \$24,000,000. There has been practically no increase in the rate of provincial taxation, except on the larger corporations, and in particular the financial corporations.

To-day Alberta leads all Canada in its health services. It provides free treatment and training for infantile paralysis cases; free treatment and hospital-

ization for T.B. patients; free treatment,—radium, X-ray or surgery—for cancer; free hospitalization for maternity cases. The number of district nurses has been doubled; health units have been increased more than four times.

In the field of education, Alberta to-day is recognized as being in the vanguard, not only in Canada, but on the continent of North America. The whole educational system has been re-organized and modernized, and the position of the teaching profession has been steadily improved. I am particularly interested in this phase of our progress, for that is my work.

In agriculture, the Government has systematically eliminated the poor stock in the Province and built up high-grade stock. Co-operative enterprises have been encouraged and developed, and through the Provincial Marketing Board and Treasury Branches, very practical assistance rendered in this regard. The cost of farm implement parts has been forced down by the Government setting up an Agency to sell farm implement parts at reasonable prices in competition with the machinery companies, and, above all, the farmers of Alberta have enjoyed the most effective, comprehensive and fair system of protective debt legislation in Canada.

On the evidence of the Labour organizations themselves, Alberta Labour legislation is considered the best in Canada. I cannot do better than quote the Vice-President of the Trades and Labour Council of Canada, Mr. Carl E. Berg, who stated: "Alberta is singularly fortunate in having a Government that has done more to work for and with Labour than any other Government in Canada."

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Ladies and Gentlemen, I could go on for the next two or three hours telling you of the very real benefits which the people of Alberta have derived from their present Social Credit Government. However, I think that with the highlights I have mentioned, you will realize why that Government enjoys the confidence of the people of Alberta.

PREMIER ABERHART PASSES

I could not allow this occasion to pass without some reference to the irreparable loss which our Province, and, in fact, Canada sustained, by the untimely death of Premier William Aberhart a little less than a year ago. Long after the names of the political leaders of our times are forgotten, William Aberhart's name will be remembered and revered as the outstanding statesman in Canadian politics during this critical period in our history. However, he laid the foundations of the Social Credit movement and gave us the dynamic leadership it required to carry this battle across the Dominion, and we are indeed fortunate in having as his successor to the Premiership of our Province the Honourable E. C. Manning, who worked with him so closely from the very outset.

II

NATIONAL ISSUES

So much for the Province of Alberta and the early history of the Social Credit movement. At the present time the issues which face Canadians are national issues. As the war develops towards its climax and

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our confidence in victory becomes more assured, so the attention of people everywhere is becoming focussed on the kind of world which will emerge from all the bloodshed, suffering and havoc of this conflict. Everyone has it vividly in their minds that victory in war does not necessarily mean victory in peace. They remember the aftermath of the last war "to make the world safe for democracy". They remember the rise of dictatorships, the poverty amidst plenty, the hunger, the unemployment and the economic chaos of the years which followed the first World War; and despite all the talk about the New Order and about post-war re-construction, people are apprehensive about what lies ahead. And well they might be.

When we look around us to-day, we can see no evidence of preparations for the New Order which we are being told we may expect. During the last war we were assured that after the conflict we would have a world fit for heroes to live in, and an era of peace and prosperity such as the world had never seen. We got the very reverse of those conditions. Our heroes were condemned to the bread lines, soup kitchens and slums, and strife and poverty were the bitter fruits of military victory.

To-day, after more than four years of war, we have still got the same political system, the same economic system and the same financial system that brought us to the verge of disaster during the hungry thirties. How can we expect these systems to serve us any better after this war than they did in the tragic years before?

TOWARDS STATE DICTATORSHIP

Let us look at some of the measures which are being proposed by the various political parties to deal with post-war reconstruction. In Great Britain, a lot of publicity was given to a scheme associated with the name of Sir William Beveridge. This has become known as the Beveridge Plan. Its purpose was to provide social security as the basis for Britain's post-war reconstruction. It was described by Sir William Beveridge as a plan which carried the country half-way to Moscow. Half-way between Great Britain and Moscow would be approximately into the vicinity of Germany. Under this plan, a vast scheme of Compulsory State Insurance is advocated. The people of Great Britain were to be compelled to submit to a taxation of their wages in order to provide a fund out of which persons unemployed or sick or aged would receive a bare subsistence allowance, very carefully calculated to keep them alive, but that is about all. There would be a vast army of officials, bureaucrats, inspectors, prosecutors, collectors, lawyers, and all the paraphernalia of State dictatorship to gather up the wage taxes, control, inspect and enforce regulations on anyone applying for benefits under the scheme. Labour camps were to be provided for the unemployed. In short, the scheme is a vast system of State dictatorship.

Now the very thing that Great Britain, in common with the other democratic countries, is fighting in Nazi-ism is State dictatorship. The basis of the Beveridge scheme is Compulsory Contributory State Insurance. Compulsory Contributory State Insurance was first devised in Germany under Bismark, who was the father of Prussian militarism and the originator of the

cult which has given us modern Nazi-ism. In his autobiography, Bismark stated quite frankly that the purpose of these measures was to throw "a golden chain about the necks of the workers." That is the origin of the Beveridge plan. How comes it, then, that this plan should be so widely publicized and hailed as a great step forward in freedom-loving Britain?

But here in Canada we have our counterpart of the Beveridge plan. It is called the Marsh plan. And it too is based on a vast scheme of Compulsory State Insurance, under which the people will have their inadequate incomes taxed during their periods of employment in order to provide them with bare subsistence benefits in unemployment, sickness or old age.

MORE THAN A COINCIDENCE

A social security plan has also been put forward in the United States of America along very similar lines. Does it not seem a strange coincidence that these three so-called social security schemes should be so similar, that they should be based upon setting up a vast, elaborate machinery for the control of the individual by the State?

But the coincidence does not end there. Sir William Beveridge is an avowed Socialist. He has been closely associated with the London School of Economics for many years. The London School of Economics was established by the well-known financier, Sir Ernest Cassel, on the suggestion of his friend, Lord Haldane, who boasted that his spiritual home was Germany. According to Prof. J. H. Morgan, K.C., Lord Haldane

said, concerning the London School of Economics: "Our object is to make this institution a place to raise and train the bureaucracy of the future socialist state."

Dr. Leonard Marsh, the author of the Marsh plan, is also a Socialist, and one of the co-authors of the Socialist text-book, "Social Planning for Canada." He likewise is a product of the London School of Economics.

But I assure you that the coincidence does not end there, ladies and gentlemen. Is it not curious that the predominantly Conservative Government of England should have invited a Socialist economist to draw up a plan for social security in that country, and a Liberal Government in Canada should have taken the same course in this country?

In a public statement, the Prime Minister of Canada has told us that the basis of the Liberal post-war policies is a system of Compulsory Contributory Unemployment Insurance, Compulsory Contributory State Health Insurance, and Compulsory Contributory State Old Age Pensions.

At its Winnipeg Convention, the Conservative party adopted a programme, the basis of which in the field of social security, was Compulsory Contributory Unemployment Insurance, Health Insurance and Old Age Pensions.

The C.C.F. party has expressed its approval of the Beveridge and Marsh plans, but seeks to go further and nationalize all industries by progressive stages and make everybody the slaves of the State.

THE PERIL WE FACE

But that by no means disposes of the evidence of the kind of New Order which is being prepared for us. We are told by the spokesmen of all three political parties that the objective of our post-war re-construction must be full employment. In the United States of America, the suggestion has been made that unemployment should be prohibited by law. Under war conditions we already have such an enactment in Canada, and we have set up a vast insolent bureaucracy called the Selective Service Board, which has the power to force people into any work which its officials choose, at wages and under conditions over which the individual has no control, or, alternatively, to send him to prison. This might be justified under war conditions, but supposing that this law and this machinery is carried into peace time, and why should it not be? Both Dr. Marsh and Sir William Beveridge have made it very plain that their plans will work only if there is no large-scale unemployment problem.

If anything like that happened, the democracy would be at an end in Canada, and we would have established here a complete servile State. Totalitarianism will have marched in by the back door while Canada's fighting sons were engaged in deadly combat against it on the military fronts.

Do not say, ladies and gentlemen, that it cannot happen here. I have endeavoured to show you that the evidence points to the fact that that is the kind of New Order which is being planned for us, and the more you go into this question, the more inescapable is the conclusion that powerful forces are preparing to impose such a dictatorship upon us after this war.

It is in such a situation that the Social Credit forces are becoming organized across Canada to meet the threat which faces our country, and now I will deal with what we mean by Social Credit.

III

WHAT SOCIAL CREDIT MEANS

There is a widespread and entirely false idea that Social Credit is just a crack-pot scheme of monetary reform. Actually, what we mean by Social Credit goes far beyond questions of financial re-construction. It is a philosophy of social life which embodies both political and economic democracy as the only kind of social organization which will provide the individual with freedom. The central consideration in Social Credit is the freedom of the individual citizen, and by freedom we mean the right to choose or to refuse any proposition which is placed before him without infringing upon the same right of anybody else; and when we talk of democracy, we mean a social system under which the affairs of the people are managed in accordance with their wishes,—not the thing that is palmed off on us as democracy to-day. You have only to consider the poverty, the unemployment, the crushing debt, the harsh taxation, and all the other evils of the pre-war years to realize that we have not had government in accordance with the will of the people. Those were not the results which the people wanted—in fact, they were the very opposite of what they wanted.

Since the outbreak of war, we have had the proof of many things that Social Crediters have been contending for years. When Social Crediters maintained

that with our resources we could have produced an abundance of goods and services sufficient to give every Canadian economic security with freedom, we were jeered at and ridiculed. Since the outbreak of war, the national production has been more than doubled, in spite of the fact that three-quarters of a million of the cream of our manpower are in the fighting forces; in spite of the fact that thousands of others are engaged in non-productive war services. However, this vastly increased production is largely for war purposes. We are producing something like \$2,000 worth of goods a year for every Canadian family, for war purposes. That is, we are producing, as a gift to the enemies of Canada, the equivalent of \$2,000 worth of goods each year for every Canadian family. Those gifts are dumped on the enemy in the form of high explosives, machine gun bullets, and the means used for delivering them. Now, if our national production was concentrated on providing peace-time goods and services for the use of our people, it would be possible to ensure every Canadian family \$1,500 a year over and above anything which they may have been earning before the war. Therefore you will see that the war has proved we can abolish poverty, and provide economic security for all without taking away from the security which anybody enjoyed before the war.

A MONEY PROBLEM

Why was the production restricted during those depression years? Why were we only producing to less than half our capacity, when men, women and children were going hungry, ill-clad and without proper homes? The reason was that while producers and manufacturers were able and eager to produce goods,

they could not sell them. They lacked markets because the people did not possess the purchasing power with which to buy the goods they required. It was entirely a purchasing power or money problem, and that is another lesson which the war has taught us. The war has proved Social Crediters were right when they pointed out during the depression years that all the talk of a lack of money was sheer humbug. •

It is because money plays such an important part in the economic life of the country that we Social Crediters have stressed its importance. Under our present highly complex economic system, money has become literally a license to live. With money, a person can do and use things. If a person has an assured money income and can buy the goods and services he wants, he enjoys economic security. If he has the assurance of that income under conditions over which he has control, that person enjoys economic independence and freedom. Divest a person of his money, and you render him destitute. He can buy nothing, or do nothing. He becomes a helpless victim of anybody who wishes to exploit him.

I do not propose to go into the question of where our money comes from and that kind of thing, because it is now general knowledge, supported by the highest authorities, that for all practical purposes our private banking corporations create our money, and that all money comes into existence as a debt owing by the people to the private banks. It is created by the banks in exactly the same way as stationery is created or manufactured. There is no longer anything mysterious about this money business, as we were led to believe a few years ago.

THE MONEY SYSTEM

Money is simply a ticket system, the purpose of which is to facilitate the orderly production and distribution of goods and services. For this purpose care must be taken that the money tickets which are distributed to people as claims on the available goods and services are sufficient to serve that purpose. In other words, the total amount of purchasing power which the people have should be equivalent to the total price value of the goods and services on the market. Moreover, in computing those prices, we must be sure, on the other hand, that they represent a fair return for the persons who produced and distributed the goods, and that the people as a whole are protected against any unfair exploitation by excessive profit-taking. I think that that too will be obvious and quite plain to anybody who has given this important question any thought whatever.

The Social Credit proposals for a reform of our financial system are designed to achieve those results without any violent dislocation of our national life.

In the first place, we advocate that the control of the monetary system should be exercised by a National Authority responsible to the people, through Parliament, to order our monetary arrangements so as to enable the goods and services which people want to be produced up to the limit of our capacity, and to distribute these in an equitable manner which will assure security with freedom to every Canadian.

Just as the freedom of the individual is the focus of Social Credit, and the basis of any proper conception of genuine democracy, so what we call the National Dividend is the central idea of the Social Credit monetary reform proposals.

WAGE SLAVERY

At the present time the vast majority of people obtain their incomes through what we know as the wage system. In order to get an income and to share in the national production, a person has to be employed. This arrangement results in the majority of the people being forced to accept a standard of living, conditions of work and the kind of work which are imposed upon them by somebody else. That is almost an exact definition of slavery, because people have no option in the matter under our wage system—they have either got to accept the wages and working conditions imposed upon them, or face destitution for themselves and their families.

Obviously, if we are to establish real democracy in this country, under which the individual citizen will have freedom in its full sense, we must get away from this system of wage slavery.

As I said earlier, the war has proved to us that even with the flower of our manhood in the fighting forces we can produce sufficient to provide every family in Canada with an income of \$1,500 over and above anything they were earning before the war. Therefore it is obvious that we can distribute a portion of our national production to ensure full economic independence for every Canadian citizen without taking away from the security which any individual enjoyed. To achieve that purpose, we suggest that a portion of the national income shall be distributed in the form of a monthly dividend payable to every citizen as a right of citizenship, provided, of course, that the volume of production justifies this. This

would be distributed in the form of a monthly dividend which would be paid in addition to any earned wage or salary. Thus the majority of persons would get their income from two sources. They would get their earned income in the form of a wage or salary, and they would get their monthly dividend through the post office or bank. I know that to many of you this will sound a revolutionary and perhaps fantastic idea, but, ladies and gentlemen, we are to-day paying restricted national dividends to certain of our citizens. Old age pensions are a form of national dividend; mothers' allowances are a form of national dividend; so are the allowances being paid to the dependants of our fighting forces. The principle is not a new one. All that is new in the Social Credit idea of dividends for all is its universal application to include everybody. We know that it is practical because the war has proved that to us. The only question we have to consider is whether it is desirable.

DIVIDENDS FOR ALL

Let us now turn to what the effect would be of distributing National Dividends to everybody. In the first place, it would do away with the slavery feature of the wage system. Every Canadian would have economic independence. No man would be forced to accept the wages or conditions of work which somebody else wished to impose upon him. He would be free to choose or refuse any proposition placed before him. In short, he would have real freedom.

The effect of this would be to give the workers in industry a control over the working conditions, and

efficiency of administration which no trade union, however powerful, could make effective under our present wage system. It would mean that the efficient employer who commanded the affection and respect of his fellowmen would attract the best workers, and the anti-social and inefficient administrator in industry would find that men and women simply would not work under his direction. This would make for increased efficiency. Moreover, as the dividend would substantially increase the people's purchasing power, they would be able to buy the goods produced. This would stimulate industrial activity and industrial development, and the problem of unemployment as we have known it would very quickly disappear.

Then in the field of government administration the effect of dividends would be very far-reaching. The amount of the dividend would be sufficient to ensure a person economic security if he should find himself temporarily unemployed, sick or otherwise cut off from his main source of income. This would do away with the need for relief schemes, mothers' allowances, pensions for the blind, compulsory State unemployment insurance, compulsory State health insurance, compulsory State old age pensions insurance and all the other mean bureaucracy-ridden devices for handing out a bare subsistence allowance to the victims of the present system—devices which involve humiliation, regimentation and all the other loathsome features of dictatorship by State authorities. In short, the National Dividend is Democracy's answer to State dictatorship in all its forms, whether being advocated by Liberals, Socialists or Communists.

BOGEY OF INFLATION

Of course, immediately a Social Crediter begins talking about National Dividends, somebody is bound to start shouting that we are suggesting turning the printing presses loose, and issue an unlimited volume of money. But as I have already stressed, it is a fundamental principle of the Social Credit proposals for monetary reform that the total purchasing power of the people should at all times be kept in exact balance with the total prices of the goods for sale, and the necessary safeguards exist in the measures being advocated by Social Crediters for ensuring that this will be done. Actually, there would be no possibility of inflation. In fact, instead of prices rising, there would be a very definite reduction in the price level to consumers, while producers, manufactures and distributors would be, for their part, assured of a fair return for their services.

I do not propose to go into this matter more fully on this occasion. Any of you who wish to study the financial reforms which Social Crediters are advocating can obtain various books on the subject. Your local Social Credit organization is well qualified to advise you on this.

During the past four years we have heard many persons say that the war in which Canada, in common with the other nations of the British Commonwealth, and our other allies, is engaged, is a war between two social philosophies — totalitarianism and democracy. I have shown you that while Canada—and the same is true of the other democratic countries— is a consti-

tutional democracy, we have not yet got established a properly functioning democracy. Furthermore, I have endeavoured to point out to you evidence that everything which is being done is likely to hurry us away still further from a democratic system, and push us into a totalitarian State. Therefore this conflict between democracy and totalitarianism is not taking place only on the battle-fronts of the world; it is a conflict which is arising in our midst. If we ignore the trend towards State dictatorship which is taking place and is being openly advocated here at home while our fellow Canadians are risking their lives and making tremendous sacrifices to defeat it in the military field, then when they come back, what will they say to us if they are confronted with the very thing they left Canada to fight and crush.

THE CHOICE BEFORE US

That is the challenge which faces every one of us to-day. We have before us the choice of either putting forth the effort to win for ourselves and our children the freedom which is so precious to us, or of allowing the situation to drift step by step, through compulsory State insurance schemes, Selective Service regulations, increasing debt and taxation, international agreements about which we are not consulted, masses of Orders in Council, of setting up a vast bureaucracy which has filched away our rights and liberties, and dominates the affairs of this country. A certain amount of restrictive legislation is necessary in war time, but when the war is over, how are we going to get rid of this huge bureaucracy, when, under cover

of war conditions, they have become entrenched as permanent features of our national life, and all the other political parties are putting forward policies which will result in, not the abolition of all these war time restrictions, but extension of them after the war.

There are two, and only two, alternatives which face every Canadian to-day. The first is to permit a State dictatorship to be set up as the basis of our post-war order. That will inevitably lead to your lives being controlled more and more by State officials. Under such an arrangement there could be no security in the true sense, and there can be no real freedom. Robbed of their freedom, people will become dissatisfied and resentful. Discord and revolt will grow. As this increases, so the situation will develop towards revolution and war. Is that the kind of heritage that you would hand over to your children? Is that the kind of post-war order you would allow to be established in Canada for our victorious fighting forces when they return? It is no good saying it will not happen here, ladies and gentlemen. I tell you this is happening, and unless a person is particularly blind to what is going on, they have the evidence in everything which is being done and is being advocated from those quarters which control our national life to-day.

The other alternative is to insist on an ordering of our national economy so that after the war our industries, farms, forests and waterways will produce in abundance the goods and services which people want, and these will be distributed so as to give the maximum security with full freedom to Canadians, ensuring for the men who return from the battle-fronts the realization of all that they have been fighting to win

for our nation. If that is the alternative of your choice, then you have got to do something about it. You cannot sit down and leave it to somebody else. Under our Canadian Constitution, you in common with the rest of the people of this country constitute the supreme authority. Nothing can be done in Canada constitutionally without your willing consent. Because you are the constitutionally supreme authority, you must assume supreme responsibility for the affairs of your country. The only manner in which you can exercise your authority and assume your responsibility is to join with your fellow Canadians in insisting that you get the security and the freedom which are possible.

Before we can hope to overcome the forces which will oppose us, a great deal of hard work and a great many sacrifices will have to be made by a large number of persons. Our task will be to get Canadians to realize that each of them is responsible for doing his or her share in this great crusade. All of us will have to work together as though our very lives and the lives of our children for generations to come will depend upon our efforts, for I assure you that that is the literal truth. That, ladies and gentlemen, is the issue which I leave with you to-night.

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